

## Message Text

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20

ACTION AF-10

INFO OCT-01 ISO-00 EB-07 OPIC-06 XMB-04 CIEP-02 AGR-10

TRSE-00 RSC-01 /041 W

----- 054135

R 200855Z NOV 74

FM AMCONSUL DOUALA

TO SECSTATE WASHDC 0810

INFO USDOC WASHDC

AMEMBASSY YAOUNDE

UNCLAS DOUALA 0314

E.O. 11652: N/A

TAGS: BEXP, CM

SUBJECT: FOREIGN BUYER PROGRAM: GILBERT LONGUE

REF: A) YAOUNDE 3719, B) STATE 246971, C) DOUALA 298

D) YAOUNDE 3612

COMMERCE FOR VOTTA

OPIC FOR HENDERSON

EXIM BANK FOR LUTHER

1. SUMMARY: IV GRANTEE LONGUE LEFT 11/17 FOR STATES ATTEND  
PAAF ATLANTA WORKSHOP (REFTEL D) WITH FINANCING STILL IN AIR  
BUT LONG RANGE PLANNING BEING UNDERTAKEN THROUGH JOINT EFFORTS  
GEORGE LAMB AND NORMAN SPRINGATE. END SUMMARY.

2. LONGUE QUEST FIND FINANCING VARIOUS TIMBER PROCESSING PROJECTS  
CONTINUES UNSETTLED DESPITE HIS ENTHUSIASTIC EFFORTS RESOLVE  
MATTERS SOONEST TO BEGIN INSTALLATION SAW MILL. MURCK OF FNBW  
SENT LETTER DATED 11/8 (BEING POUCHED) WHICH INDICATED THAT  
INSTEAD TEN YEAR LINE OF CREDIT AT EIGHT PERCENT FNBW PREPARED  
ACCEPT DEFERRED PAYMENT IRREVOCABLE LETTERS OF CREDIT ISSUED BY  
CAMEROON BANK AND DISCOUNT EACH DRAFT IN ORDER PAY SELLER OF  
EQUIPMENT. LETTERS WOULD BE PAYABLE SEMI-ANNUAL INSTALLMENTS  
FOR APPROXIMATELY THREE AND HALF YEAR PERIOD. AT MATURITY FNBW  
WOULD PRESENT DRAFT CAMEROON BANK FOR PAYMENT AND LONGUE WOULD  
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PAY CAMEROON BANK. ARRANGEMENT SUBJECT FCIA APPROVAL.

CAMEROON BANK HAS INDICATED INTEREST IN PRINCIPLE TO PROPOSAL BUT NEEDS TIME TO STUDY. MIN. AGRIC. AND PRESIDENCY HAVE TOLD LONGUE THEY WILLING USE INFLUENCE THEIR SHAREHOLDING CAMEROON BANK THROUGH SNI TO RESOLVE MATTER FAVORABLY ONCE DETAILS FNBW PROPOSAL FULLY WORKED OUT.

3. PRIOR DEPARTURE, LONGUE FULLY OCCUPIED VISIT GEORGE LAMB OF ENTERPRISES INTERNATIONAL AND NORMAN SPRINGATE (CONSULTANT) VANCOUVER, CANADA FOR PLANNING FUTURE ORDERLY DEVELOPMENT HIS TIMBER CONCESSIONS. CONTRARY INFO DOUALA 298 NO CANADIAN GOVT RPS ACCOMPANIED SPRINGATE, ALTHOUGH CONVERSATIONS HELD CANADIAN EMBASSY OFFICIALS YAOUNDE RE POSSIBILITIES CANADIAN GOVERNMENT FINANCING LONGUE PURCHASES.

4. CONSULATE CONVERSATIONS WITH ALL PARTIES INDICATE PRICE PROBABLY SECONDARY CONSIDERATION TO FINANCING. LAMB AND SPRINGATE OPINED THAT MOST PURCHASES PROBABLY COULD GO US SUPPLIERS IF PRELIMINARY GROUND WORK ON FINANCING SUCCESSFUL. THEY INDICATED FLEXIBILITY ON SUPPLY SOURCE WITH SPRINGATE OFFERING RUNPLANNING OPERATION FROM PORTLAND, OREGON OFFICE IF THAT HELPFUL FROM USG VIEWPOINT. LAMB AND SPRINGATE CLAIMED CANADIAN GOVT HAS PROGRAMS WHICH GUARANTEE UP NINETY-FIVE PER CENT PURCHASES AND OFFER CREDIT FOR BETWEEN EIGHTY AND NINETY FIVE PER CENT CANADIAN PROCUREMENT. CANADIAN GOVT THEY CLAIM ALSO HAS PROGRAM PAY HALF COST TWENTY THOUSAND DOLLAR FEASIBILITY STUDY (BEING FINANCED BY LAMB) CURRENTLY SCHEDULED BE FINISHED FEBRUARY. WHILE CANADIAN PROGRAMS MAY EXIST, IT CLEAR FROM CONVERSATIONS THAT FORMIDABLE TIME CONSUMING BUREAUCRATIC OBSTACLES EXIST BEFORE IMPLEMENTATION.

5. ON FEASIBILITY STUDY, CONVERSATIONS WITH ROBERT HYSLOP, PROJECT ENGINEER, INDICATES, IN SPITE DEPRESSED LUMBER MARKET, LONGUE NET AFTER TAXES RUNNING DOLL. 6,000 PER MONTH. WITH SAW MILL INSTALLED, FULLY AMORTIZED NET ESTIMATED INCREASE DOLL. 3,500 PER MONTH. HYSLOP BELIEVES INITIAL EQUIPMENT SAW MILL, VENEER AND PLYWOOD FACTORIES WILL COST AROUND DOLL. 3 MILLION. HIS PRELIMINARY VIEW IS SOME AMERICAN MANAGEMENT FIRST YEARS OPERATION USEFUL.

6. COMMENT: 1) LAMB WITH FACTORIES IN EUROPE, CANADA AND US  
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OBVIOUSLY AGREEABLE FURNISH EQUIPMENT WHERE BEST FINANCING AVAILABLE. 2) ON BASIS HIS TWO TRIPS DOUALA, LAMB OF OPINION LONGUE MOST LIKELY PROSPECT LOCAL CAMEROONIAN COMPANY MAKE LARGE PURCHASES AND MOST EXPATRIATE COMPANIES EITHER NOT INTERESTED FURTHER INVESTMENT OR TIED TRADITIONAL EQUIPMENT SOURCES. HYSLOP SHARES THIS OPINION AND ADDS IF US CAN PENETRATE CAMEROONIAN MARKET THROUGH LONGUE, THEN EXPERIENCE GAINED SHOULD ASSIST DEVELOPING ADDITIONAL SALES PROSPECTS. 3) IF FNBW INTEREST

DIMINISHING, CAN USDOC OR OTHER ADDRESSEES SUGGEST ALTERNATIVE  
SOURCES FINANCING SUCH AS KUHN, LOEB OR OTHERS PER REFTEL A.

4) HYSLOP REMAINS DOUALA THIS WEEK. IF ANY PARTICULAR INFO  
LACKING, ADVISE SOONEST AND CONSULATE WILL ENDEAVOR OBTAIN.  
MITHOEFER

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## Message Attributes

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**To:** STATE  
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